AMERICAN MINING CONGRESS

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COMMITTEES

One of the most difficult problems which confront the officers of the Mining Congress is the selection of the various committees. Much perplexity arises in the effort to find from a membership so scattered geographically those who feel such an interest in a given subject as to warrant the expectation of good work, and at the same time to locate the membership of each of the several committees so that occasional meetings are possible.

The officers will welcome suggestions for membership upon any of the regular committees and also for committees to consider any new work which should be undertaken by the Congress.

MEMBERSHIP

Following is a list of persons admitted to active membership during July, August, September and October of this year:

WATSON, GEORGE T.	Fairmont, W. Va.
BARKER, WILLIAM JR.	Juneau, Alaska.
BURRIS, ALLEN L.	Colorado Springs, Colo.
SISLEY, LYMAN A.	Chicago, Ills.
HOWBERT, IRVING	Colorado Springs, Colo.
LOWE, H. P.	Central City, Colo.
TYLER, S. B.	Central City, Colo.
DEANE, J. W.	Denver, Colo.
BOEHMER, MAX	Denver, Colo.
THAYER, E. A.	Denver, Colo.
DALZELL, T. J.	Denver, Colo.
WEST, A. B.	Denver, Colo.
HORSKY, EDWARD	Helena, Mont.
TOEPEL, H.	Helena, Mont.
MENDELS, E. S.	New York, N. Y.
KERR, MARK B.	San Francisco, Cal.
WOLF, M. Y.	San Diego, Cal.
CONRAD, W. G.	Helena, Mont.
SMITH, A. L.	Helena, Mont.
CRUSE, THOMAS	Helena, Mont.
GOULD, N. J.	Helena, Mont.
GODET, HENRY	Rico, Colo.
HOLTER, A. M.	Helena, Mont.

ADDRESSES WANTED

Mail directed to the following members has been returned unclaimed and we would be glad to receive information as to their present respective addresses. Other members will confer a favor by notifying us, in case the information is at hand.

We wish to acknowledge the courtesy of several members who have kindly given us information concerning members whose latest addresses we did not have.

NAME.	LAST ADDRESS GIVEN.
Alsdorf, F. C.	Sodaville, Nev.
Anderson, Carl	411 Hellman Bldg., Los Angeles, Cal.
Beck, W. A.	223 Mohawk Blk., Spokane, Wash.
Beery, H. F.	815 Amer. Bank Bldg., Seattle, Wash.
Belen Mining Co.	Douglas, Ariz.
Blockberger, F. R.	Portland, Ore.
Bedell, S. A.	Fenner, Cal.
Boyrie, H. E.	428 N. Y. Blk., Seattle, Wash.
Cardwell, B. A.	354 Arcade Annex, Seattle, Wash.
Davis, Jack	Goldfield, Nev.
Earnest, F. G.	607 Jameson Blk., Spokane, Wash.
Eastman, A. F.	P. O. Box 887, Spokane, Wash.
Eisen, A. C.	Goldfield, Nev.
Fox, James H.	Empire Bldg., Seattle, Wash.
Fredericks, L. G.	Buffalo, Ark.
Horse Shoe Mining Co.	231 Epler Blk., Seattle, Wash.
Hull, C. W.	Bisbee, Ariz.
Hull, Harry D.	Central City, Colo.
Hussey, J. V.	Goldfield, Nev.
Ish, Marvin E.	Box 58, Goldfield, Nev.
Kennedy, Jno. F.	12-13 P. I. Bldg., Seattle, Wash.
Kennedy, S. D.	Reno, Nev.
Knowles, W. H.	55 Temple Blk., Los Angeles, Cal.
Lane, Chas. D.	Browns Valley, Calif.
Mann, Fred A.	Joplin, Mo.
Marshall, W. C.	232 D. F. Walker Bldg., Salt Lake, Utah.
McDonald, J. R.	Rhyolite, Nev.
McMullan, John	Sacramento, Calif.
Miller, W. A.	17 Bank Blk., Denver, Colo.
Muir, Downie D.	Alice, Colo.
Mullen, R. G.	Orogrande, N. M.
Newsander, Sam	607 Jamison Blk., Spokane, Wash.
Phillips, S. B.	Sandpoint, Idaho.
Remington, W. H.	228 Epler Blk., Seattle, Wash.
Roberts, Wm.	Shultz, via Tucson, Ariz.
Samuel, R. L.	Cananea, Sonora, Mex.
Schrock, J. B.	611 Fernwell Bldg., Spokane, Wash.
Sierra Madre Mining Co.	628 Scarritt Bldg., Kansas City, Mo.
Thomas, Timothy	Baxter Springs, Kans.
Tracy, T. H.	Hotel Alexandria, Los Angeles, Cal.
Van Waters, Geo. S.	71 No. Third St., Portland, Ore.
Walters, Wm. J.	1132 27th Ave., Seattle, Wash.
Ward, E. R.	262 Touraine Hotel, Spokane, Wash.

AN IMPORTANT QUESTION

THE LEASING SYSTEM AS OPPOSED TO PRIVATE OWNERSHIP.

The most important question to the public land states, which is to be officially passed upon in the near future, is as to the proposed changes in the management of the public lands.

The Official Call submitted this question to the Convention at Los Angeles in the following words:

Conservation.

The proper conservation of our national resources is a matter of very great importance, and a discussion of this subject is of particular concern at this time, in view of the probable action by the next session of Congress upon the so-called Administration Conservation Bills (Senate bills numbers 5484 and 5486 to 5492 inclusive). These bills provide many changes from existing conditions, some of which are of a radical nature. Whether coal lands shall be leased and water power development controlled by the Federal Government, a part only of the proceeds to be paid to the State, whether these resources shall be controlled by the several states or whether the present system under which Western development has been effected shall be continued, presents questions upon which a wide divergence of opinion exists. Some conclusions should be reached at an early day in order that Congress may be advised as to the wishes of those directly interested. A full discussion of this subject will be had, which it is hoped will determine the attitude of the West with relation to the proposed legislation.

Three distinct questions were submitted:

First—Shall the principle embodied in the public land laws, under which the public lands passed to private ownership as rapidly as applicants could be found ready to meet the requirements of the government, be continued, under such restrictions as shall serve the greatest public good?

Second—Should the public lands be controlled by the states and leased in such a way as to guard against monopolistic control of the public resources, without placing any restrictions upon devel-

opment and at the same time furnish to the state an income equal to that which would result through the taxing power?

Third—Shall the federal government retain the ownership of its mineral resources and water powers, reserving the right to exact royalties from production under a federal leasing system.

The Los Angeles convention went squarely on record in opposition to any federal system of leasing the mineral lands and water powers. The other questions were not passed upon, except inferentially.

It seems wise that we should ask the judgment of our members particularly, and ascertain the views of others who may be interested, concerning this question. The resolutions adopted at the Los Angeles meeting on "Conservation" appeared in our October Bulletin, and a synopsis of the conservation bills was printed in our September Bulletin.

Some of the objections raised to the federal leasing system are as follows:

First—Because of the burdens put upon lessees in addition to the burdens assumed by those who have received title under the present law, which would be such as to restrict development and to a great extent entrench monopoly among those who have already taken title from the government of competitive resources.

Second—It would take away the incentive to individual effort which a large possible profit has heretofore given to the pioneers of the West, which incentive is responsible for the magnificent development which has been attained by the West under the present public land laws.

Third—It would keep from the taxing power of the states much valuable property, and to that extent take from the states the means by which they can raise revenue for the building of roads and the support of courts, schools and other state institutions. It would not be economical, as its execution would require an army of federal officials.

Much confusion has been created by the belief that the ownership of the lands has something to do with "Conservation" of the resources, and by the belief that the moral uplift in politics was in some way involved in the conservation question.

It is quite evident that the citizens of the public land states have not fully decided as to just what policy should be pursued, and it is very important that the best thought of our membership should be obtained, and we earnestly request each of our members to write

fully his views upon this subject in order that the Executive Committee may arrive at a fair conclusion as to the extent of the effort which should be made by the American Mining Congress in any attempt to influence the proposed legislation.

Plan for a National Commission.

A plan for meeting the situation above presented was outlined by the report of the Committee on General Revision of Mineral Land Laws, which was approved by the Los Angeles convention. This committee recommended that the United States Congress should be requested to provide for a commission or a committee through which an investigation may be made by public hearings and otherwise, and a complete code of mining laws be prepared for the consideration of the National Congress, and that the American Mining Congress co-operate in every way possible with such commission.

The full report of the committee, with the reasons for its recommendations, will appear in the proceedings of the Los Angeles session, which we hope to have ready for delivery early in December.

The committee further recommends that a new committee, consisting of one member from each mining state and territory, shall be appointed to further the proposed plan. Suggestions for membership upon this committee will be welcomed by the Secretary.

WHO WILL SEND IN A NEW MEMBER?

Mr. W. D. Althouse, of Philadelphia, was the first to respond to our appeal of last month for assistance in securing an increase in our membership.

We are glad to announce him as being the first, but we regret to say that he was the only member who furnished tangible evidence of his loyalty to the Mining Congress.

Who will be the next?

PROCEEDINGS COLORADO CHAPTER

MINE TAXATION IN THE STATE OF COLORADO.

At the meeting of the Colorado Chapter of the American Mining Congress on September 16 an interesting discussion arose as to the taxation of mines in Colorado. The main points brought out by the debate were—(1) that the mines were taxed more heavily than any other industry in the mining counties; (2) that the burden of taxation fell particularly hard upon non-producing mining property or mines yet in the development state; (3) that improvements were assessed very much in excess of the real value.

As a result of the discussion the Chapter decided that the subject of mine taxation was one of the most important now before the mining men of the state, especially in view of the rumors that the state government is preparing a new mine taxation bill.

The Secretary of the Chapter was instructed to ascertain from the County Assessors details as to their methods of assessing mining property, and any other information pertinent to the subject of mine taxation, in order that a comprehensive review of the whole question might be furnished to the members of the Chapter.

A Committee on Mine Taxation was appointed and consists of—

E. A. Colburn, President Ajax Mining Company.

E. M. DeLavergne, Manager Elkton Mining Company.

F. F. Castello, President Mary McKinney Mining Company.

A. G. Brownlee, President Stanley Mines.

R. L. Martin, President U. P. R. Mining Company.

A. B. West, Attorney Vindicator Mine.

This committee has entered upon its duties and has already compiled considerable data. The mining companies of this state have been requested to furnish a statement of their tax schedules and a number of these have already been returned.

COMMITTEE ON MINE TAXATION.

(Copy of a circular sent by the Committee to Colorado mine operators.)

An important matter has come to the notice of the Committee on Mine Taxation to which we desire to call your particular attention. The immediate importance will depend upon whether you are taxed on the net proceeds of your mine or on the gross.

A careful examination of the Revenue Bill of 1902 has convinced us that an irregularity has very generally arisen in the assessment of producing mines. The Revenue Law states in Section 81 C—"The Assessor * * * *

shall determine the gross (proceeds) of any producing mine or mining claim for (the) preceding year and shall at the same time determine the net proceeds as herein defined for the same preceding year and shall, for the purpose of assessment for taxation, value such producing mine or mining claim at a sum equal to one-fourth of the said gross proceeds for said preceding year for any such mine or mining claim; provided, etc."

Some Assessors construe the words "gross proceeds" as meaning "gross output." The Auditor of State also in his abstracts of assessment for the counties uses "the gross output of the metalliferous mining claims" as the basis of assessment.

Reference to any dictionary will establish the point that there is a considerable difference between the word "output" and the word "proceeds." Reference to the great standard dictionaries, like the Century or Webster, confirm the smaller desk dictionaries. There is not the slightest excuse for confusion in the meaning of these words. The output of a mine is the quantity of material put out within a specified time. This is a reference to mere quantity. For example, the output of the mine may be taken as so many tons of ore, or so many ounces of gold and silver, or so many pounds of copper, etc.

The word "proceeds" is commonly defined as the sum realized on the sale of goods. The proceeds, therefore, are the amounts of moneys realized on the sale of the output.

This is ordinarily the gross value of the output less the freight and treatment charges. It is thus apparent that the gross proceeds of a mine are the amounts of money received for the sale of the ore to the smelter or sampler.

There is no excuse for supposing that gross output and gross proceeds are synonymous terms. The legal opinions obtained are in favor of the foregoing statements.

In the Revenue Bill there are several important phrases that we deem advisable to define. In Section 81 A it is stated that mines and mining claims whose **gross production** shall exceed $5,000 per annum shall be classed as producing mines and all others as non-producing mines. In Section 81 B the mine owner is required to furnish a statement showing, among other things, the **gross value** of ore extracted in dollars and cents. Also he is required to show the **net proceeds,** and in Section 81 C the Assessor is required to assess the mine at one-fourth of the **gross proceeds.**

The following definitions of these terms have been accepted by the Committee:

Gross Production: The total amount of ore brought out of the mine valued at the intrinsic value of the metals. It is synonymous with gross output. In the statute the production is required to be given in dollars and cents.

Gross Value: Synonymous with the above definition of gross product. The gross value of the ore produced by a mine is the number of tons multiplied by the assay value per ton.

Gross Proceeds: The total amount of money realized on the sale of the ore or the amount of money realized by the sale of mill products in case the mine is treating its own ore.

Net Proceeds: The amount of money remaining after deducting from the gross proceeds or gross value the expenses of mining as allowed by the Revenue Law of 1902.

The Committee on Mine Taxation thinks it advisable to illustrate the difference between the position taken by it and the position taken by those Assessors who want to tax mines on one-fourth of the gross output or gross production. We take a mine which produces 15,000 tons of ore with an assay value of $20 per ton. In our judgment this mine should be assessed on the basis of $55,000 instead of $75,000, as would be taken by the Assessor referred to.

Gross value—15,000×$20.00	$300,000
Freight and treatment	150,000
Mining expenses	95,000
Then substracting the freight and treatment charges from the gross value, we have	
Gross proceeds	150,000
And by substracting the mining expenses from the gross proceeds, we have	
Net proceeds	55,000

One-fourth of the gross proceeds is $37,500, and as the net proceeds exceeds this amount, the mine will be taxed on the net. Under the ruling of some of the Assessors referred to, the mine would be assessed on one-fourth of $300,000, which, of course, is $75,000. The acceptance of our definition of the law would mean a difference of $20,000 in the assessed valuation, and in most cases a saving of nearly $1,000 in the amount of taxes paid by the mining company.

We think that the law is absolutely clear in its phraseology, for whenever the entire output of a mine is referred to the words "gross production" are used. In other parts of the law the words "gross value" are employed, but when it comes to the duties of the Assessor, he is told to assess the mine on a basis of one-fourth of the gross proceeds. It is hardly to be supposed that the legislature would not know the difference in meaning between these very common English words, and, with the weight of all the authority of the dictionaries against them, it is hard to see how the Assessors, to which reference has been made, can sustain their opinions. The intent of the law makers is obvious from the language employed and as in every case, the law makers have used the words with great care and apparent precision, it must be assumed that the ordinary meanings of the words were in the minds of the legislators when the bill was passed, and hence we establish their intent. It is an entirely gratuitous assumption on the part of the Assessors if they attempt to take the position that the intention of the legislature was to have the mining claims taxed on their gross output. The Committee not only contends that its interpretation of the meaning of the Revenue Law is correct, but also maintains the position that it is especially just in view of conditions that prevail in the mining regions. The gross value of an ore—that is to say, the number of tons multiplied by its assay value per ton—is a sum of money of which the financial books of the company take no cognizance whatever. The $300,000 gross value in the example quoted has merely an academic or statistical significance. It is interesting in that it allows the Bureau of Mines and Geological

Survey to make estimates as to the probable production of metals. It is also of academic interest to the scientific man in charge of the operations in ascertaining the extent of the losses sustained in the treatment of the ore, but the only sum of money that the company sees is the $150,000 that it realizes on its sales. This is the amount of money that they have to use to pay all their expenses of mining and to pay their dividends and to redeem the capital invested in the enterprise.

Then, again, ore changes radically in character with the increasing depths of mining operations, even if the intrinsic value is maintained. Thus, while the tonnage produced during the year may have the same gross value as in preceding years, yet the amount realized on its sale may be diminished very materially, it would seem obviously unfair to tax a mine on a sum of money which it does not receive owing to an act of Providence or by the natural workings of the laws of nature.

Looked at, therefore, from every point of view, the justice of the position assumed by the Committee on Mine Taxation is obviously sound, not only according to law, but according to the dictates of the dictionary and common sense. Moreover, the Committee is of the opinion that in the tax schedule the management should be permitted to add to its mining costs the salaries of such officers and employees as may be necessary to conduct the business. The General Manager, the Secretary, the clerical help and office supplies are clearly as essential an expense in conducting the operations of the mine as the men who operate the hoisting engines or supervise the underground workings. We believe that these officers or agents could, within the true meaning of the clause, be regarded as being actively and consecutively engaged in or about the mine. The mere fact that the office is removed from the mine has nothing to do with the real question.

However, a literal construction of the Revenue Bill might favor the attitude taken by the Assessors, and we believe that in order that a just view of the matter be taken an amendment should be introduced into the Revenue Law, making the Law read:

"6. The actual cost of extracting the ore from the mine, which shall include the salaries of officers, employees or agents actively and consecutively engaged in the conduct of the business of mining, or of handling of the ore, or of the necessary clerical work incident to the operations of marketing the product."

PROGRESS REPORT OF COMMITTEE ON MINE TAXATION.

The Committee on Mine Taxation, although it has not yet reached any final conclusions, reports that it has its work well in hand.

Every Assessor of a mining county in the State has been written to, asking for information in regard to the methods of assessing mining property in his county. This data is coming in slowly, but a great deal of information has been obtained independently from the State authorities in Denver.

In addition to asking the Assessors for information as to the method of assessing improvements, they were also asked for general information regarding the taxation system in their county. We have ascertained that in the twelve distinctly mining counties of Colorado that the total assessed valuation of all property for the year 1908 amounted to $36,070,121. Of this amount we found that $18,854,743 was assessed against the mines. According

to the Auditor of State, the total valuation of metal mining claims in the State amounts to $21,745,603. It will be seen, therefore, that the mining companies pay about one-half of the taxes of the counties in which they are situated; however, there are a number of counties in which the mines pay two-thirds of the total taxes. Ouray, San Juan and Teller counties may be named in this respect.

We have obtained the abstracts of assessment of many of the counties and we find some remarkable inequalities in taxation. For example, we find that in Teller county the non-producing mining claims are assessed at twice the valuation of all the railroads in the county. According to the abstract of assessment we find that very little attempt has apparently been made to value personal property. For example, we found that automobiles were assessed at $160 each, and especially that intangible personal property practically escaped all taxation. For example, under the head of "Amount of Money, Credits, Book Accounts, etc.," the assessed valuation for the county amounted to $100. We found that carriages and vehicles were averaged $21 each. Jewelry, gold and silver, diamonds and other precious stones were assessed at $1,010.

It is very clear to the Committee that the only property that is seriously assessed in Teller county is mining property.

A number of years ago a federal investigation into the manner of assessing property throughout the United States disclosed the fact that realty and other property which could not be hidden from the assessors was assessed at about 50% of its census valuation; that tangible personal property was assessed at about 25% of its census valuation, and that intangible personal property was not taxed at more than about 5% of its real value. The incidence of taxation, therefore, is not equitably borne, and we believe that the facts thus far obtained go to demonstrate that this condition holds especially true in the mining counties, classing the mines as realty. In this connection the Committee feels inclined to quote from the report of a commission appointed by the State of New Jersey to investigate the system of taxation in that State. In that report it was declared that only three classes paid honest taxation as required by law, namely, the estates of deceased persons, widows and orphans, idiots and lunatics.

The Committee is also investigating into the amount of money raised by the counties, and, while not surprised at the facts disclosed, we have found that the amount of money raised by the various counties is greater than we anticipated. We found that in Teller county the amount of money raised each year amounts to $500,000. The population of Teller county is about [illegible]. In Pitkin county the amount of taxes levied in 1909 was $138,348.92. The population of this county is about 8,000. In San Miguel county the taxes amounted to $125,567.58. The population of this county is possibly a little over 6,000. In Clear Creek county the amount of money raised was [illegible]. The population of Clear Creek county is about [illegible]. It seems clear to the Committee on Taxation that the amount of money raised from Taxation is greatly in excess of the real requirements.

The Committee has also carefully investigated the point which appears to be generally overlooked— namely, the fact that the law on mine taxation calls for the taxing of mines on their gross proceeds—that is to say—the amount of money realized on the sale of the ore. Some Assessors, instead of using the gross proceeds of the mine as the basis of assessment, have used the gross output—that is to say, the intrinsic value of the ore. The law

clearly says gross proceeds, and the gross proceeds, as we interpret the words, mean the gross value of the ore less freight and treatment. Many County Assessors have adopted this interpretation. In Teller county the practice of the Assessor has been to take the gross output. The result is that the mines, both producing and non-producing, have been assessed at a very much higher rate than provided by law.

The work outlined by the Taxation Committee is a stupendous task. The amount of data to be accumulated is enormous and the work of analyzing such a mass of figures is not a light one. But in view of the importance of the subject, the Committee believes that nothing less than a thorough investigation and a patient working out of all the details will serve the purpose for which it was created. The Committee has at least two months' work in hand before a full report can be presented. In order to properly carry this work forward, we desire the support of the members of the Chapter in aiding us to secure the desired information.

The Committee proposes to publish its report in the form of a manual on mine taxation, which will be of real value to the directorate of every mining company in the State. The contents of this manual will give statistics and studies on the following points:

1. All the Revenue Laws of the State bearing upon mine taxation.
2. Abstracts of assessments of mining counties.
3. The necessary statistics and data by counties in order that the general situation may be clearly understood in each county.
4. Schedules of taxation as paid by the various mining companies.
5. The effect of excessive taxation on the development of the mining industry.
6. Data proving the inequality of the burden borne by the mines of the State.
7. Direct taxation of mining companies by the State.
8. A brief synopsis of the taxation question in the State as a whole.

At the risk of being trite, the Committee believes that the great question before the people of this State today is the necessity of general economy in the administration of public affairs. There can be hardly any question that many needed improvements could be undertaken at once if the money now raised by taxation were expended according to ordinary business rules.

Lastly, the inequality of the burden of taxation as distributed over the various interests of the State is a constant source of unrest and is the cause of the wide-spread agitation for laws which should not be required if the county and State officers fully and in a common sense way carried out the requirements of the laws now on the statute books.

Total Valuation for County		$10,377,340
Placer Land	$ 76,910	
Placer Land Improvements	3,780	
Non-Producing Lode Claims	1,787,330	
Producing Lode Claims	3,249,410	
Improvements, Lode Claims	1,557,240	
Total Mine Valuation		6,674,670
All Other Valuation		$ 3,702,670

Therefore the mines have practically two-thirds of the total assessed valuation of the county.

Total taxes paid by the county, $488,655.75, or 47¼ mills.

TELLER COUNTY TAXES, 1910.

Railway Taxes, 1908.

(Report State Board of Equalization.)

Company.	Mileage.	Taxes paid.	Rate per Mile.
Colorado Midland	22.00	$ 5,984.00	$272.00
C. S. & C. C. District	39.89	19,295.90	409.00
Florence & Cripple Creek	13.10	3,507.24	268.00
Golden Circle	5.71	1,906.90	334.00
Midland Terminal	28.80	9,969.57	346.00
Totals	109.50	$37,663.61	Av. $344.00

Assessed Valuation of Railroads.

Colorado Midland	$170,500.00
Colorado Springs & Cripple Creek District	324,370.00
Florence & Cripple Creek	98,250.00
Golden Circle	42,825.00
Midland Terminal	364,600.00
Total	$900,545.00

This is a very important figure as showing that the non-producing mines of Teller County are valued at twice the value of the five railways in the County.

REPORT OF THE EXECUTIVE COMMITTEE OF THE COLORADO CHAPTER

The work accomplished by the Colorado Chapter of the American Mining Congress has met with general approval on the part of the mining men of the state. It is encouraging that such should be the case and the members of the Chapter are to be congratulated. With the object of improving the service now being rendered to the mining industry of Colorado, we propose to the members of the Chapter that the work be systematized and that a well rounded scheme be outlined, so that the year before us may see some useful results accomplished.

Mine Taxation.

We commend the work done by the Committee on Mine Taxation. Thus far the facts elicited have been of great value and will undoubtedly be more so as the work progresses. It is, we believe, the first complete and satisfactory investigation of this character ever undertaken and the results will be far-reaching. The work should be pushed as vigorously as possible. It is of great importance that the plan so well inaugurated should be carried to its logical conclusion.

"High Grading."

We urge also that members of the Chapter should take up and seriously consider the question of "high grading." The losses by theft of high-grade ore are tremendous, aggregating to a sum of not less than one million dollars per annum. Not only is this sum diverted from the legitimate ownership, thereby reducing the profits that investors have a right to expect, but also increases crime and lawlessness in the mining communities. Practically all of the ill-gotten gains of ore thieves goes to the support of the criminal classes, gambling houses and brothels. In the interest, therefore, not only of the mining companies, but also of the general community, this crime of "high grading" should be stamped out. The cost of administering the mining counties would be reduced and the welfare of the rising generations would be fostered if satisfactory laws could be enacted dealing with this form of crime.

Smelter Rates.

Members of this organization make a general complaint as to the conditions under which they market their ores and mill products. Undoubtedly the changing conditions in our mines require radical changes

in methods of ore treatment. This is a matter of deep concern. Unless provisions are made to cope with these conditions the mining industry will continue to decay. There is no lack of ore. It is safe to say that Colorado can in the next fifty years produce over two billion dollars in metallic wealth if the ores can be treated so that the miners can make a legitimate profit. We, therefore, urge that the whole question of marketing ores be taken up at once and that every condition be investigated, so that the mining men of this state can know authoritatively the cost, etc., of every step in the treatment of the ores from the mines to the ultimate consumers.

Legislature.

The mining industry needs much important legislation from the new state legislature. It is of the utmost importance that the members of this Chapter should urge the legislators from the mountain counties to get together, so that they may form a coherent body to secure necessary legislation. This appears to us to be feasible and entirely outside the realm of party politics.

These three main lines of work, reinforced by the last suggestion, should make the Chapter an effective organization and a material force in the business affairs of Colorado.

Respectfully,

MAX BOEHMER,
ALLEN L. BURRIS,
J. F. CALLBREATH, Jr.,
Executive Committee.